

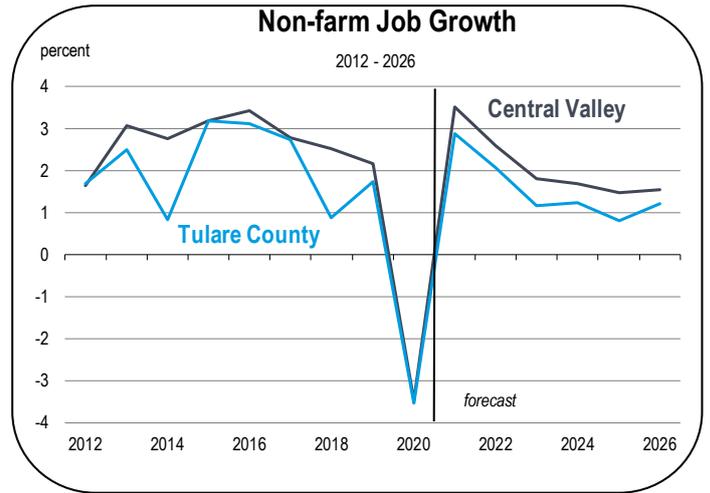
Tulare County Economic Forecast

Forecast Summary

- Wage and salary jobs declined by nearly 10,000 workers in 2020 and the unemployment rate averaged 13.2 percent.
- As of mid-2021, all labor markets were still lower than pre-pandemic levels except for state government, the retail sector and transportation/warehousing.
- The unemployment rate has only improved to 11.6 percent.
- The Tulare County population is expected to grow more slowly than the broader Central Valley during the forecast period.
- Home values rose unexpectedly in 2020, increasing by 10 percent. Prices are expected to rise by another 6 percent in 2021 and 7 percent in 2022.
- More homes will be built over the 2021-2026 period than were built during the previous five years.

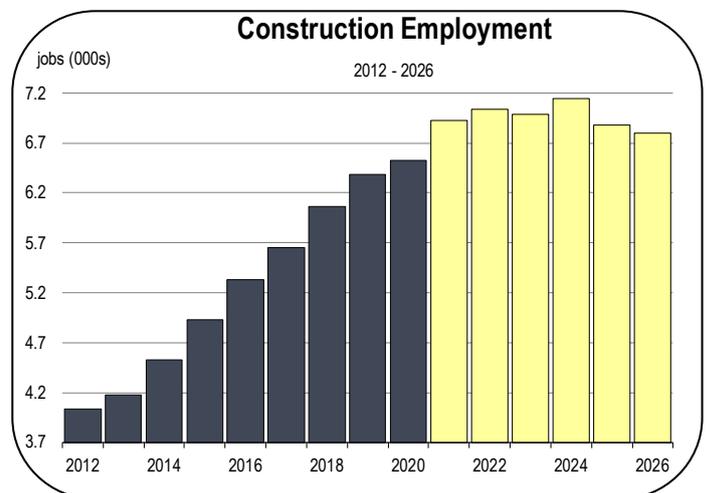
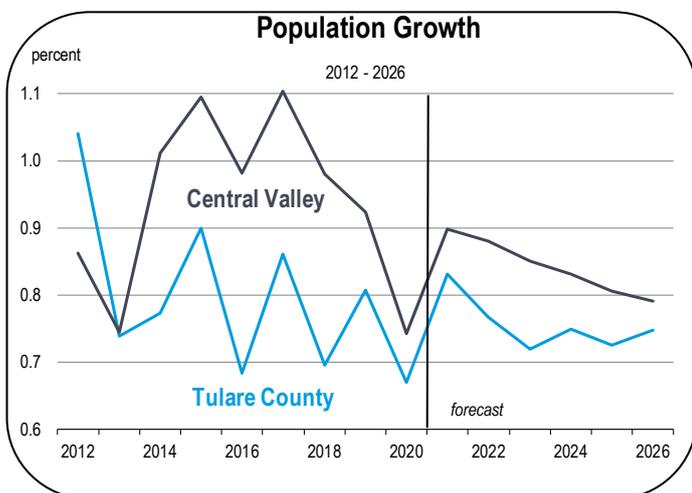
Job Growth

- Total employment in Tulare County will rebound by 2.7 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.2 percent, which will be well below the Central Valley average.

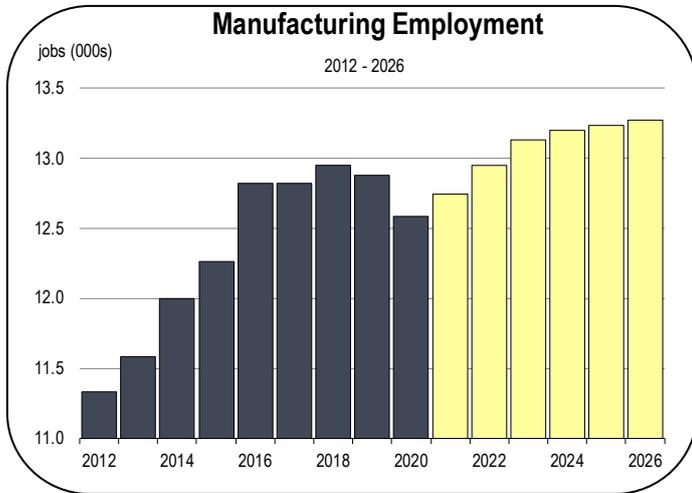


Construction Employment

- The construction workforce in the county nearly doubled in size since 2012.
- The pandemic did not interrupt this growth trend and several hundred new jobs will be generated in 2021.
- Over the next 5 years, several thousand new units will be started and completed in the county. Employment within the construction trades will expand through 2024 or beyond.



Tulare County Economic Forecast

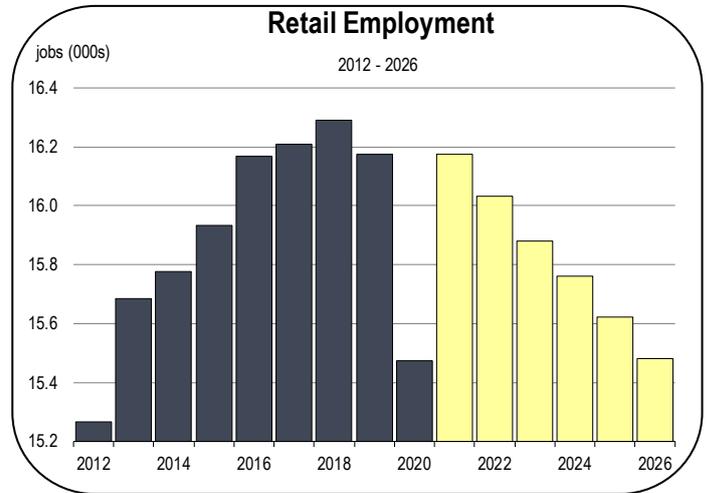
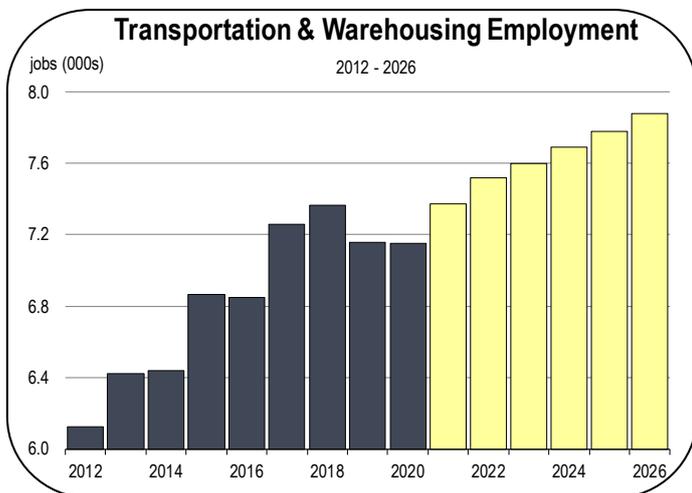


Manufacturing Employment

- Employment in non-durable manufacturing recovers in 2021 and peaks in late 2020s.
- The county is the location of major manufacturing/food companies, including Jostens, International Paper, Sonoco, Green Power Bus, California Dairies, Saputo Cheese, Kraft Foods, Ruiz Foods, DryVit, Land O' Lakes, Svenhards and Kawneer.

Transportation and Warehousing Employment

- This sector was not impacted by the recession in 2020.
- Total employment during the year remained at 2019 levels, and the forecast calls for positive job creation over the next several years.
- Walmart is the largest employer in this sector with an estimated 1,700 jobs at its 1.2 million square foot distribution center in Porterville.

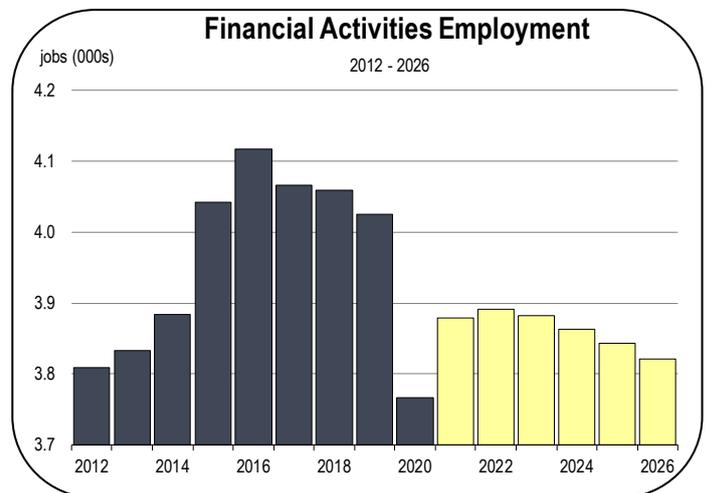


Retail Trade Employment

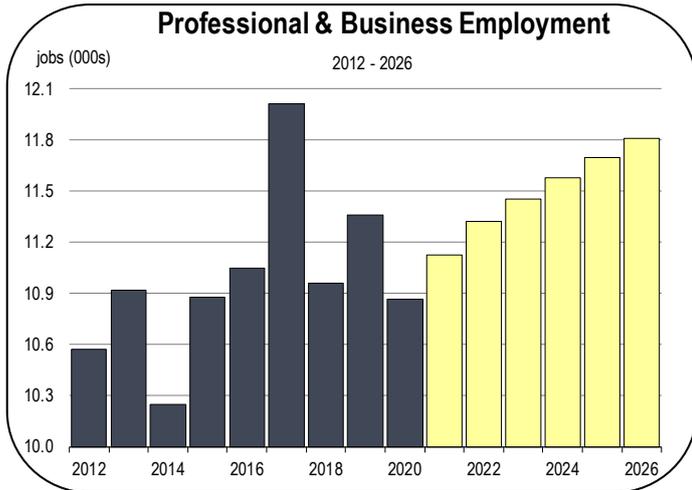
- Employment in the retail sector recovers entirely in 2021 but the longer term pattern of retail consolidation that is forecast for most of California will not only limit but reduce retail jobs in Tulare County over the indefinite future.

Financial Activities Employment

- Since 2015, there has been no net growth in finance/insurance/real estate jobs in the county.
- The pandemic caused the decline of approximately 200 jobs.
- Many of these jobs will be restored this year, but the recent pattern of consolidation will continue to persist over the forecast.
- Cigna Health Care is a major employer with 700 workers in their insurance claims processing center in Visalia.



Tulare County Economic Forecast

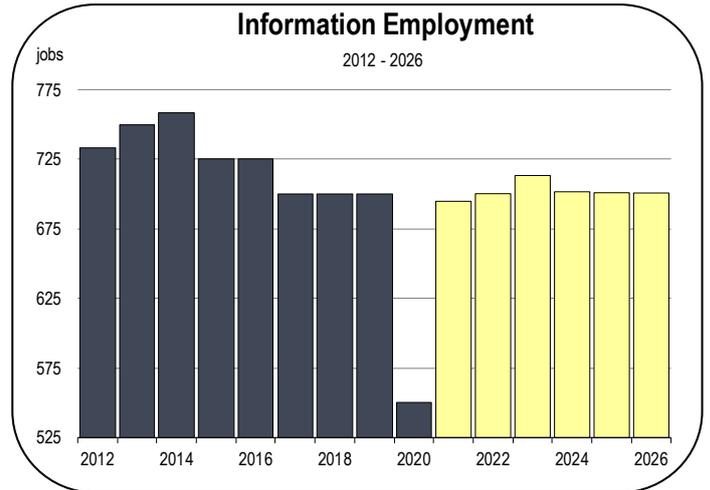


Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.
- The largest losses were staffing agencies, which typically employ temp workers.
- Temp workers are usually the first to be laid off during a recession and the first hired back during the recovery.
- The professional and business services sector is destined to create a major share of future jobs in Tulare County over the next several years.

Information Employment

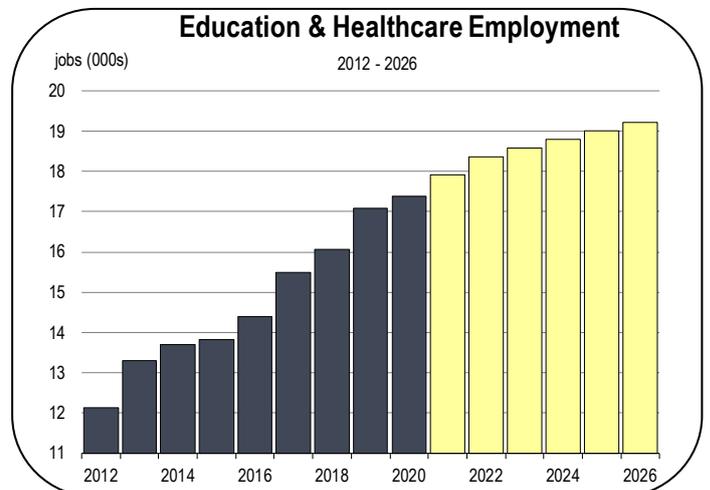
- In Tulare County, the information sector is largely comprised of movie theaters, newspaper publishers, and telecommunications companies like Comcast.
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, movie theaters, and newspaper publishing.



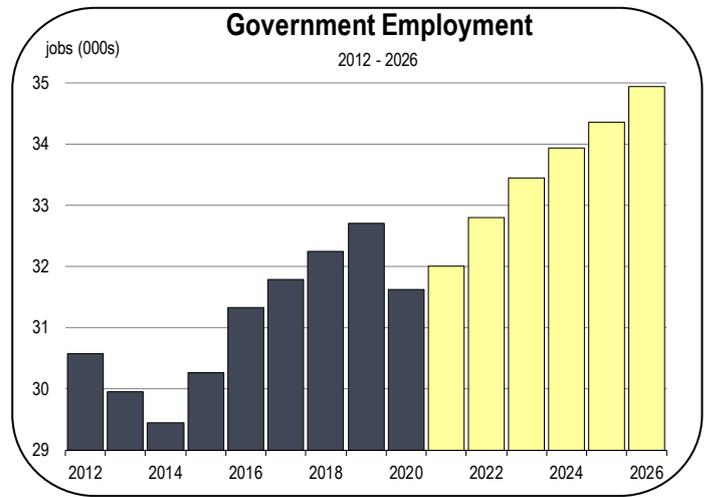
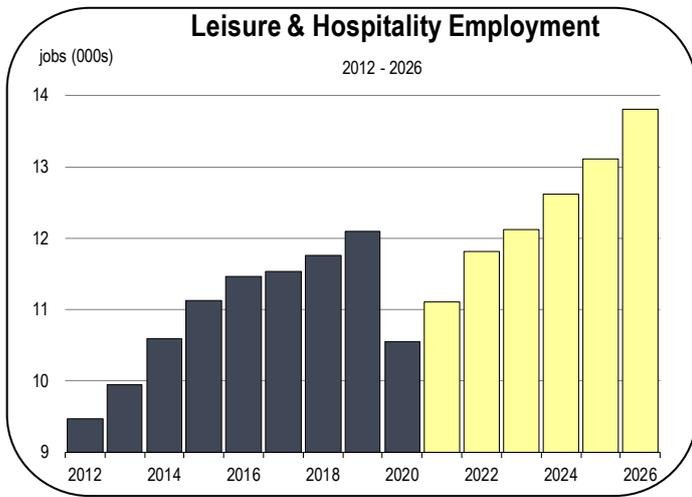
- This is no less true for the Tulare County information market, and no net job growth is expected through 2026.

Private Education and Healthcare Employment

- The two largest private employers in the County are Kaweah Delta Health Care and Sierra View District Hospital.
- Respectively, they employ an estimated 2,000 and 1,800 workers.



Tulare County Economic Forecast



Leisure and Hospitality Employment

- The calamity in this sector was severe in April and May of 2020, though less so than coastal counties in California.
- As of March 2021, the leisure and hospitality sector workforce is still off by 19 percent from year ago levels. However, this is markedly better than the entire state which is still down 29 percent as of March.

Government Employment

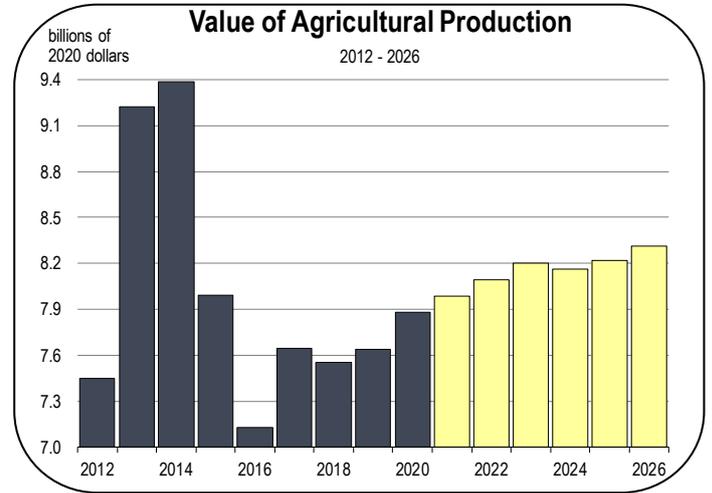
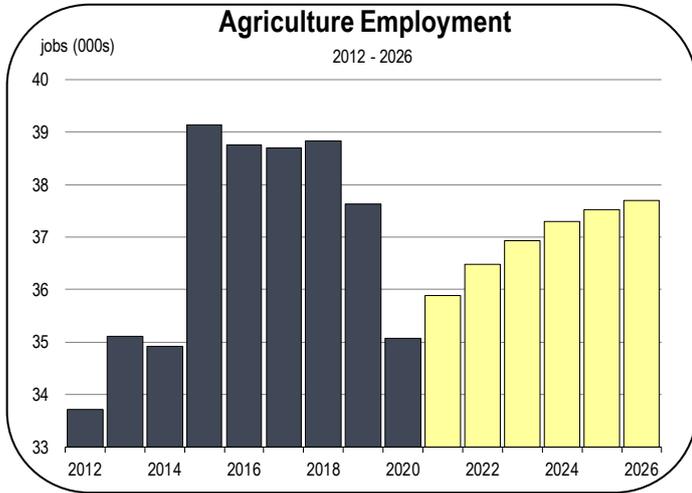
- State and local government agencies lost 1,000 jobs during 2020.
- Federal government agencies added a small number of jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years.

- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) with the commencement of in-person schools in the Fall of 2021 and with federal grants to cities and counties from the American Rescue Plan that will help to offset fiscal 2021 deficits.
- Because the Tule River Indian Tribe is a governmental agency, its employees are classified into the government sector, including employees at the Eagle Mountain Casino.
- The 1,200 slot machine Eagle Mountain Casino is one of the largest employers in the county, located in Porterville. The Casino is fully operational again and now open 24 hours a day.
- The Tule River Indian Tribe received approval from the Bureau of Indian Affairs in December 2020 to relocate the Casino from its reservation to the City of Porterville.
- Groundbreaking for the new venue occurred on April 8, 2021. When completed next year, the new casino will employ an estimated 360 workers.



Artist Rendering of the new Eagle Mountain Casino & Hotel

Tulare County Economic Forecast



Farming

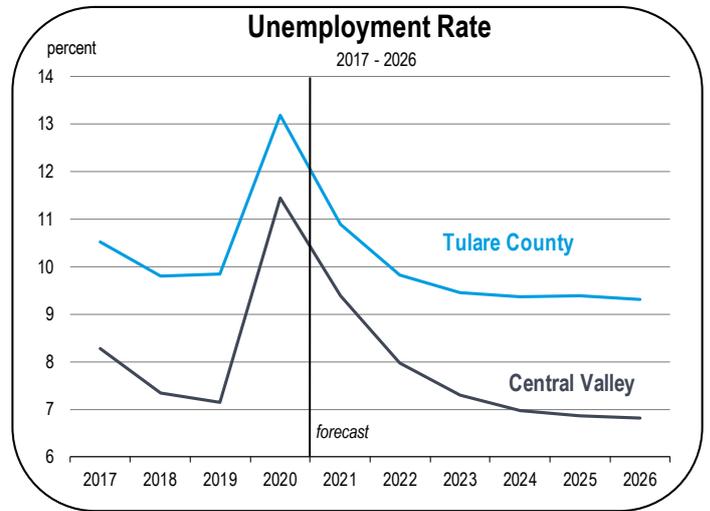
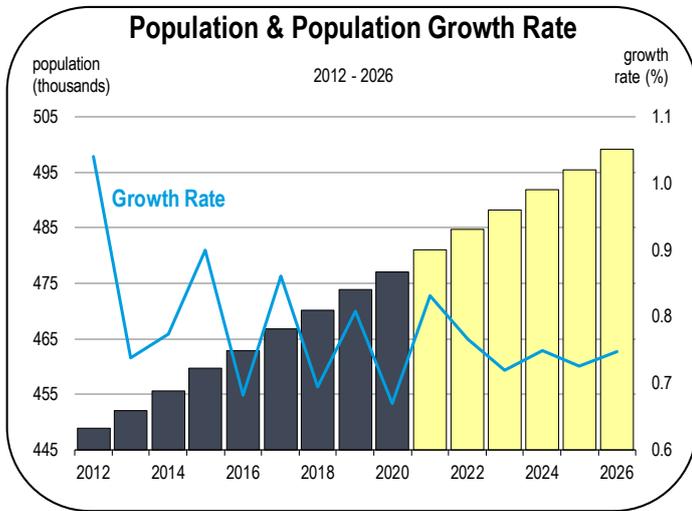
- The farm sector accounts for 22 percent of the total labor market in Tulare County.
- However, automation has reduced the total workforce over time as total crop output and value continue to rise over time.

- Farming is forecast to remain an important engine of growth in Tulare County, along with food products processing and distribution.
- The presence of a large farming industry contributes to other parts of the economy, including the leisure and hospitality industries which benefit from an influx of visitors that descend upon the county for the World Ag Expo.



The International Agri-Center is home to World Ag Expo, annually starting on the 2nd Tuesday in February. An annual attendance of over 100,000 people from 70 countries attend World Ag Expo each year. The largest annual agricultural show of its kind, the event hosts 1,500 exhibitors displaying cutting-edge agricultural technology and equipment on 2.6 million square feet of show grounds.

Tulare County Economic Forecast

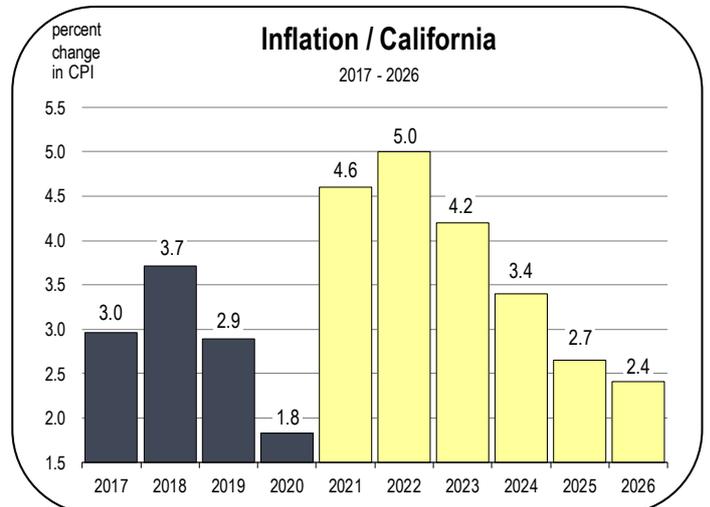
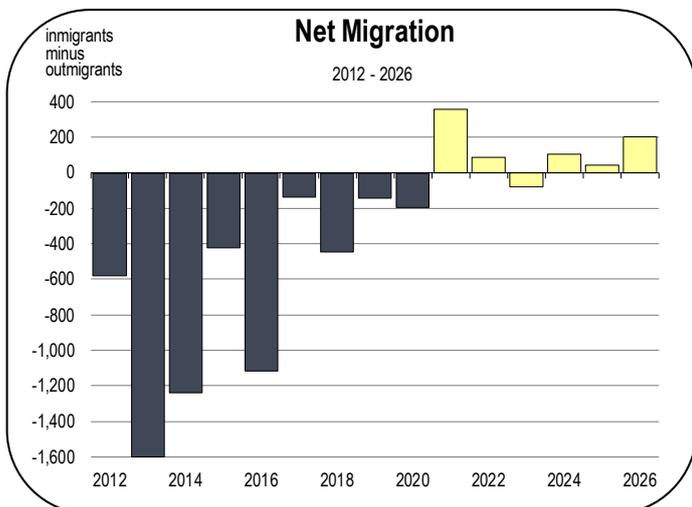


Population Growth

- The Tulare County population is expected to expand more slowly than the Central Valley average between 2021 and 2026.
- Tulare County has a young population with a high birth rate. Between 2021 and 2026, the natural increase (the difference between births and deaths) is expected to add an average of 3,600 residents to the population each year.
- Net migration however, has been negative every year since 2010. Between 2021 and 2026, the forecast has net in-migration turning slightly positive, but in general, population is not expected to expand due to a wave of in-migration into Tulare County.
- The population will expand at an annual average rate of 0.8 percent per year from 2021 to 2026. By 2026 the Tulare County population will approach 500,000 residents.

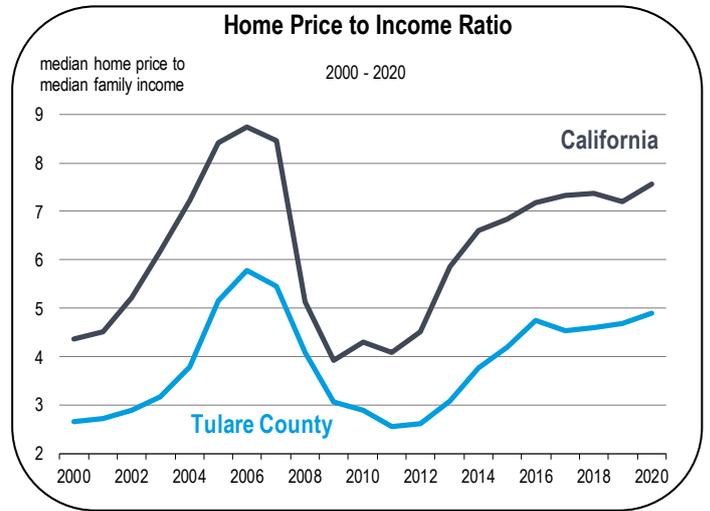
Unemployment and Inflation Rates

- The unemployment rate in Fresno County averaged 13.2 percent in 2020. An unemployment rate below 10.0 percent signifies a fully employed workforce in Tulare County.
- The unemployment rate is expected to average 10.9 percent in 2021 and 9.8 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies



Tulare County Economic Forecast

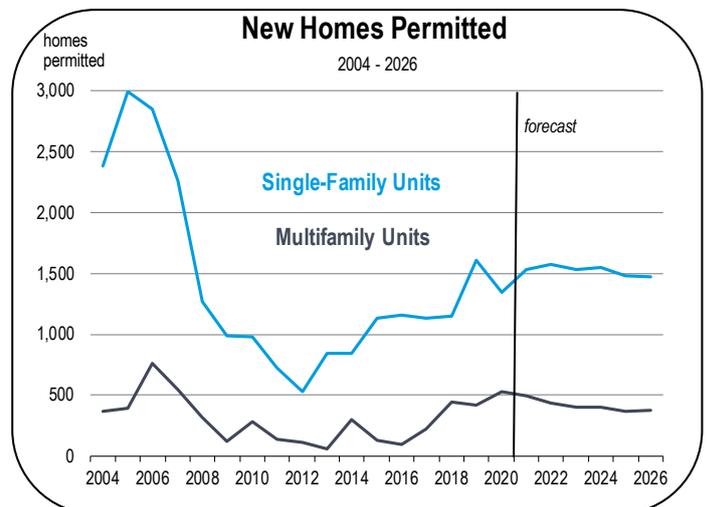
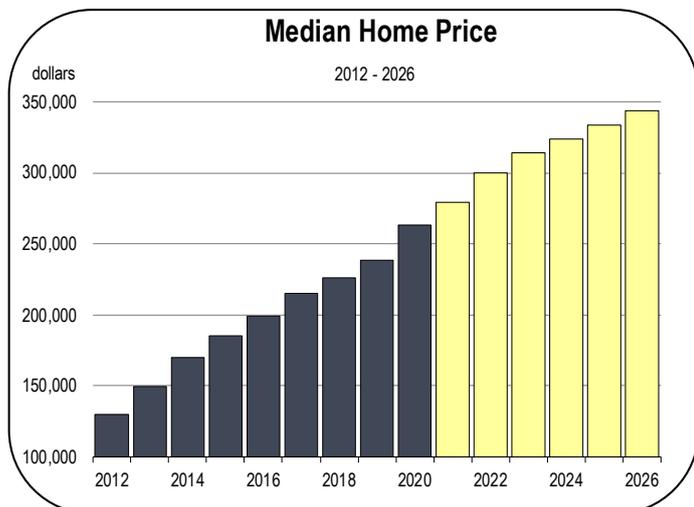
- Fractures in the global supply chain that raise the cost of production for many businesses
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.



Home Prices and New Housing Production

- In 2020 the median home price in Tulare County was \$263,200.
- Homes in Tulare County are more affordable than homes across California, especially Coastal California.
- In Tulare County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2015 to 2020, an average of 1,600 new homes were started per year in Tulare County. Approximately 80 percent of units built from 2015 to 2020 were single-family homes.
- Housing production is expected to average 1,900 units per year from 2020 to 2025, consisting mostly of single-family homes.

- Housing construction will predominantly come from small projects rather than large master-planned communities.
- The most prominent residential projects are the Liberty Hills Residential project (384 units in the City of Tulare), the Summit Estates project (192 units in Porterville), and the Southern Highlands project (107 units in Visalia).
- The largest non-residential project is the Sequoia Gateway Commerce Center in Visalia, which will produce 1.1 million square feet of space and include a health clinic, hotels, office buildings, and retail structures.
- The project is currently under construction and represents a meaningful growth opportunity for the Tulare County economy.
- Grading has begun on the Sequoia Gateway project, and full buildout will take a number of years.



Tulare County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	459,729	134.6	-423	1,261	377	\$17.4	\$4.0	\$6.3	\$2.5	\$42,333	11.7	\$8.0	1.4
2016	462,869	135.7	-1,119	1,254	390	\$18.2	\$4.4	\$6.7	\$2.4	\$42,899	11.2	\$7.1	2.3
2017	466,854	136.8	-136	1,358	394	\$18.8	\$4.8	\$7.2	\$2.4	\$42,678	10.5	\$7.6	3.0
2018	470,099	138.1	-448	1,593	400	\$19.1	\$5.0	\$7.4	\$2.4	\$41,623	9.8	\$7.6	3.7
2019	473,897	139.4	-145	2,028	414	\$20.5	\$5.3	\$8.0	\$2.4	\$42,910	9.8	\$7.6	2.9
2020	477,071	140.8	-197	1,881	422	\$22.0	\$6.8	\$9.7	\$2.6	\$45,033	13.2	\$7.9	1.8
2021	481,038	142.7	358	2,030	422	\$22.1	\$5.5	\$8.8	\$2.5	\$43,770	10.9	\$8.0	4.6
2022	484,724	144.7	87	2,007	427	\$23.0	\$5.6	\$8.6	\$2.6	\$44,201	9.8	\$8.1	5.0
2023	488,214	146.7	-79	1,936	430	\$24.1	\$5.7	\$8.7	\$2.6	\$45,002	9.4	\$8.2	4.2
2024	491,874	148.7	105	1,949	435	\$25.2	\$5.8	\$8.8	\$2.7	\$45,606	9.4	\$8.2	3.4
2025	495,443	150.6	43	1,849	439	\$26.3	\$5.9	\$8.9	\$2.7	\$46,070	9.4	\$8.2	2.7
2026	499,145	152.5	203	1,848	444	\$27.3	\$5.9	\$9.0	\$2.7	\$46,481	9.3	\$8.3	2.4
2027	502,773	154.3	161	1,747	448	\$28.3	\$6.0	\$9.1	\$2.8	\$46,882	9.3	\$8.4	2.2
2028	506,357	156.1	141	1,653	453	\$29.4	\$6.0	\$9.2	\$2.8	\$47,259	9.2	\$8.4	2.3
2029	509,914	157.8	147	1,564	458	\$30.4	\$6.2	\$9.3	\$2.8	\$47,421	9.2	\$8.5	2.2
2030	513,453	159.4	153	1,536	463	\$31.4	\$6.3	\$9.6	\$2.9	\$47,625	9.2	\$8.6	2.2
2031	516,899	160.9	129	1,496	469	\$32.5	\$6.5	\$9.8	\$2.9	\$47,864	9.2	\$8.6	2.3
2032	520,263	162.4	111	1,457	474	\$33.5	\$6.6	\$10.0	\$2.9	\$47,945	9.2	\$8.6	2.2
2033	523,548	163.9	92	1,418	480	\$34.6	\$6.8	\$10.2	\$2.9	\$48,262	9.2	\$8.7	2.0
2034	526,750	165.3	85	1,382	485	\$35.7	\$6.9	\$10.4	\$2.9	\$48,508	9.2	\$8.7	2.1
2035	529,851	166.7	64	1,345	490	\$36.9	\$7.1	\$10.7	\$3.0	\$48,743	9.2	\$8.8	2.1
2036	532,874	168.1	57	1,321	495	\$38.1	\$7.3	\$11.0	\$3.0	\$48,801	9.2	\$8.9	2.2
2037	535,808	169.4	50	1,297	499	\$39.3	\$7.5	\$11.4	\$3.0	\$48,839	9.2	\$9.0	2.2
2038	538,648	170.7	44	1,273	504	\$40.7	\$7.7	\$11.7	\$3.0	\$48,975	9.2	\$9.2	2.2
2039	541,388	172.0	30	1,249	508	\$42.0	\$8.0	\$12.0	\$3.0	\$49,030	9.2	\$9.3	2.2
2040	544,017	173.2	25	1,225	512	\$43.4	\$8.2	\$12.3	\$3.0	\$49,108	9.2	\$9.4	2.1
2041	546,655	174.5	127	1,209	515	\$44.8	\$8.3	\$12.6	\$3.0	\$49,337	9.2	\$9.5	2.2
2042	549,256	175.7	172	1,190	518	\$46.2	\$8.5	\$12.9	\$3.0	\$49,591	9.2	\$9.6	2.1
2043	551,781	176.9	171	1,168	521	\$47.6	\$8.7	\$13.2	\$3.1	\$49,860	9.2	\$9.7	2.0
2044	554,081	178.0	21	1,134	524	\$48.9	\$8.9	\$13.4	\$3.1	\$50,195	9.2	\$9.8	2.2
2045	556,277	179.2	17	1,111	525	\$50.3	\$9.1	\$13.7	\$3.1	\$50,467	9.2	\$9.8	2.2
2046	558,379	180.3	12	1,087	527	\$51.8	\$9.3	\$14.0	\$3.1	\$50,673	9.2	\$10.0	2.2
2047	560,399	181.4	9	1,063	528	\$53.2	\$9.5	\$14.3	\$3.1	\$50,775	9.2	\$10.1	2.2
2048	562,438	182.5	102	1,047	530	\$54.7	\$9.7	\$14.7	\$3.1	\$50,828	9.2	\$10.2	2.3
2049	564,339	183.5	47	1,021	532	\$56.2	\$9.9	\$15.0	\$3.2	\$51,015	9.2	\$10.3	2.0
2050	566,089	184.6	-4	994	534	\$57.7	\$10.2	\$15.3	\$3.2	\$51,163	9.2	\$10.4	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	157.3	39.1	4.9	12.3	6.9	19.9	4.0	10.9	0.7	13.8	11.1	30.3
2016	160.6	38.8	5.3	12.8	6.9	20.3	4.1	11.1	0.7	14.4	11.5	31.3
2017	163.9	38.7	5.7	12.8	7.3	20.4	4.1	12.0	0.7	15.5	11.5	31.8
2018	165.1	38.8	6.1	13.0	7.4	20.6	4.1	11.0	0.7	16.1	11.8	32.3
2019	166.1	37.6	6.4	12.9	7.2	20.6	4.0	11.4	0.7	17.1	12.1	32.7
2020	159.0	35.1	6.5	12.6	7.2	19.8	3.8	10.9	0.6	17.4	10.6	31.6
2021	163.3	35.9	6.9	12.7	7.4	20.5	3.9	11.1	0.7	17.9	11.1	32.0
2022	166.6	36.5	7.0	12.9	7.5	20.4	3.9	11.3	0.7	18.4	11.8	32.8
2023	168.6	36.9	7.0	13.1	7.6	20.3	3.9	11.5	0.7	18.6	12.1	33.4
2024	170.5	37.3	7.1	13.2	7.7	20.2	3.9	11.6	0.7	18.8	12.6	33.9
2025	171.8	37.5	6.9	13.2	7.8	20.1	3.8	11.7	0.7	19.0	13.1	34.4
2026	173.7	37.7	6.8	13.3	7.9	19.9	3.8	11.8	0.7	19.2	13.8	34.9
2027	175.2	37.9	6.6	13.3	8.0	19.8	3.8	11.9	0.7	19.4	14.5	35.5
2028	176.6	38.0	6.3	13.3	8.1	19.7	3.8	12.0	0.7	19.6	15.1	36.0
2029	178.0	38.1	6.2	13.4	8.1	19.7	3.8	12.1	0.7	19.8	15.7	36.4
2030	179.5	38.2	6.1	13.4	8.2	19.8	3.7	12.2	0.7	20.0	16.2	36.8
2031	180.7	38.3	6.0	13.4	8.3	19.8	3.7	12.3	0.7	20.2	16.6	37.2
2032	181.9	38.4	6.0	13.4	8.3	19.9	3.7	12.4	0.7	20.4	16.9	37.5
2033	182.8	38.5	5.9	13.4	8.4	19.9	3.7	12.4	0.7	20.6	17.1	37.8
2034	183.7	38.5	5.9	13.3	8.4	19.9	3.7	12.5	0.7	20.8	17.3	38.1
2035	184.5	38.6	5.9	13.3	8.5	20.0	3.7	12.6	0.7	20.9	17.5	38.3
2036	185.2	38.7	5.8	13.3	8.5	20.0	3.7	12.6	0.7	21.1	17.6	38.5
2037	186.0	38.8	5.8	13.2	8.5	20.0	3.7	12.7	0.7	21.3	17.8	38.7
2038	186.7	38.9	5.8	13.2	8.6	20.1	3.7	12.7	0.7	21.4	17.9	38.9
2039	187.3	39.0	5.8	13.1	8.6	20.1	3.7	12.8	0.7	21.6	18.0	39.1
2040	187.9	39.1	5.7	13.0	8.7	20.1	3.7	12.8	0.7	21.8	18.2	39.2
2041	188.5	39.3	5.7	13.0	8.7	20.1	3.7	12.9	0.7	21.9	18.3	39.4
2042	189.2	39.4	5.7	13.0	8.7	20.2	3.7	12.9	0.7	22.1	18.4	39.5
2043	189.7	39.5	5.7	12.9	8.7	20.2	3.7	13.0	0.7	22.2	18.6	39.6
2044	190.3	39.6	5.6	12.9	8.8	20.2	3.7	13.0	0.7	22.4	18.7	39.7
2045	190.8	39.7	5.6	12.9	8.8	20.2	3.7	13.0	0.7	22.5	18.9	39.8
2046	191.3	39.8	5.6	12.9	8.8	20.2	3.7	13.0	0.7	22.6	19.0	39.9
2047	191.9	40.0	5.5	12.9	8.9	20.2	3.7	13.1	0.7	22.8	19.1	39.9
2048	192.4	40.1	5.5	12.9	8.9	20.2	3.7	13.1	0.7	22.9	19.2	40.0
2049	192.8	40.2	5.5	12.8	8.9	20.2	3.7	13.1	0.7	23.0	19.3	40.1
2050	193.2	40.3	5.5	12.8	8.9	20.3	3.7	13.1	0.7	23.2	19.4	40.1

Tulare County Economic Forecast

Socioeconomic Indicators

